

Not Relevant

6 **Cabinet Notes**

Not Relevant

605 STONEY POINT (LIQUIDS PROJECT) RATIFICATION ACT 1981 SANTOS PORT
BONYTHON - WHARFAGE CHARGES - NOTED

Not Relevant

605

CABINET NOTE

TO: THE PREMIER FOR CABINET TO NOTE

RE: STONEY POINT (LIQUIDS PROJECT) RATIFICATION ACT 1981 SANTOS PORT BONYTHON - WHARFAGE CHARGES

1. PROPOSAL

1.1. Cabinet note the current situation with Santos regarding the Port Bonython Indenture Agreement and proposed course of action.

2. BACKGROUND

2.1. The Port Bonython Jetty was constructed by Santos. It is the largest jetty in the State and is 2.4 kilometres long with steel piles and a prestressed concrete deck. The jetty was transferred to the State on 11 November 1983 at a cost of \$48.2 M. The jetty was valued (replacement cost) by the Valuer-General at \$36 M on 30 June 2001.

2.2. At the time of transfer, the State entered into an Indenture agreement under the Stony Point (Liquid Project) Ratification Act, 1981 with Santos. The Indenture gave Santos full exclusive priority use of the jetty facility for commercial use as a port for shipping the Producers liquid fuel products.

2.3. The provisions of the Indenture covering the wharfage dues expired in November 2003, at which point the rate being paid to Government was \$ 3.85 per tonne. Under Part XV, Clause 72, subsection 4, the indenture states:

“After the first twenty years from and including the transfer date the Producers shall pay the normal wharfage dues on commodities similar to those shipped by the Producers applicable in the State for use of the transferred facilities”.

Clause 7(1)(c) Business Affairs

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3. STATE ISSUES

3.1. The closest parallel within South Australia to a normal wharfage rate is \$5.00 per tonne (Flinders Ports published rate) for liquid commodities (petroleum products) shipped at M-berth, Birkenhead. This rate consists of cargo, harbour and navigation charges and excludes miscellaneous and pilotage charges.

Clause 14 Economy of the State

Clause 7(1)(c) Business Affairs

Clause 10(1) Legal Professional Privilege

4.

Clause 7(1)(c) Business Affairs

5.

Clause 14 Economy of the State

Clause 10(1) Legal Professional Privilege

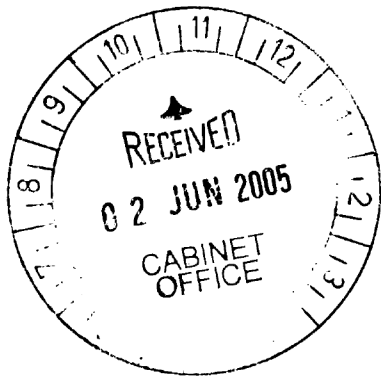
6. RECOMMENDATION

6.1. Cabinet note the current situation with Santos regarding the Port Bonython Indenture agreement and the proposed course of action.



HON PATRICK CONLON MP
MINISTER FOR TRANSPORT

27 May 2005



In Cabinet

- 6 JUN 2005

